

Message Text

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----- 032563

R 020923Z APR 76

FM SECSTATE WASHDC
TO AMEMBASSY SEOUL

UNCLAS STATE 079593

E.O. 11652: N/A

TAGS: BENC, KS

SUBJECT: ALLIS-CHALMERS CABLES KOREAN ELECTRIC COMPANY

REF: SEOUL 2283 AND PREVIOUS

1. ALLIS-CHALMERS ASKED MEPD MARCH 29 TO INFORM EMBASSY
OF CONTENTS OF AC CABLE OF MARCH 28 TO KOREAN ELECTRIC
COMPANY. AC CLAIMED THAT IT WAS UNABLE TELEX EMBASSY
DIRECTLY BUT WISHED TO KEEP USG POSTED ON SITUATION RE
CHONGPYONG PUMP/TURBINE SALE. FOLLOWING CABLE TEXT IS
FOR EMBASSY'S INFORMATION AND REFERENCE AS APPROPRIATE.

--- QUOTE

--- KOREAN ELECTRIC COMPANY SEOUL

--- ATTN MR. KIM YUNG JOON

--- AS IT WAS NOT POSSIBLE FOR THE ALLIS-CHALMERS PARTY

--- TO MEET WITH YOU AT THE TIME OF THEIR VISIT TO YOUR

--- OFFICES IN SEOUL ON MARCH 3 AT WHICH TIME THEY HAD

--- HOPED TO PROVIDE YOU WITH A FULL BRIEFING ON THE

--- CONTINUING DISCUSSIONS BETWEEN ALLIS-CHALMERS, FUJI

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--- ELECTRIC AND DR JOON WOO NAM AND DR HONG JO LO OF THE

--- KOREAN INSTITUTE OF SCIENCE AND TECHNOLOGY, WE WOULD
--- LIKE TO TAKE THIS OPPORTUNITY TO ENSURE THAT YOU ARE
--- FULLY FAMILIAR WITH THESE DISCUSSIONS RELATING TO THE

--- CHONGPYONG PUMP/TURBINES WHICH ARE THE SUBJECT OF

--- AN ORDER PLACED BY KECO WITH FUJI DURING 1975.
--- 1. DURING THE PERIOD FEBRUARY 16 - 21, DR JOON WOO
--- NAM AND DR HONG JO LO ACCOMPANIED BY REPRESENTATIVES
--- OF FUJI AND ALLIS-CHALMERS VISITED THE PUMP/TURBINE
--- INSTALLATIONS AT CASTAIC, OROVILLE, CABIN CREEK,
--- RACCOON MOUNTAIN AND JOCASSE. THEY ALSO VISITED THE
--- ALLIS-CHALMERS ADVANCED TECHNOLOGY CENTER FACILITIES
--- AT MILWAUKEE AND THE ALLIS-CHALMERS HYDRO-TURBINE
--- DIVISION MANUFACTURING AND LABORATORY FACILITIES AT
--- YORK, PENNSYLVANIA. IN ADDITION THEY ENGAGED IN
--- DETAILED DISCUSSIONS OF ALLIS-CHALMERS CAPABILITIES

--- AND EXPERIENCE IN PUMP/TURBINE DESIGN WITH THE
--- FOLLOWING ALLIS-CHALMERS PERSONNEL:
--- GENERAL MANAGER - MR. G. E. PFAFFLIN
--- MANAGER PRODUCT DEVELOPMENT - MR W G WHIPPEN
--- MANAGER MECHANICAL DEVELOPMENT - MR S A CHACOUR
--- MANAGER PRODUCT ENGINEERING - MR D H BAKER
--- 2. IN THE CONCLUDING MEETING AT YORK DR NAM AND
--- DR LO EXPRESSLY VOLUNTEERED THEIR COMPLETE
--- CONFIDENCE IN ALLIS-CHALMERS AND FUJI ABILITY TO
--- DESIGN HIGH-HEAD PUMP/TURBINES WITHOUT ANY
--- RESERVATIONS WHATEVER. DR NAM AND DR LO RECEIVED
--- FROM ALLIS-CHALMERS A VERY CONSIDERABLE AMOUNT OF
--- DOCUMENTATION CONFIRMING OUR DISCUSSIONS WITH THEM
--- WHICH IS AVAILABLE WITH KOREAN INSTITUTE OF SCIENCE
--- AND TECHNOLOGY IN SEOUL.
--- 3. AS PREVIOUSLY DISCUSSED BETWEEN ALLIS-CHALMERS
--- PERSONNEL AND REPRESENTATIVES OF KECO ON A NUMBER
--- OF OCCASIONS AT YOUR SEOUL OFFICE WE HAVE COMPLETE

--- CONFIDENCE THAT FUJI AS OUR LICENSEE WILL
--- MANUFACTURE, SUPPLY, DELIVER AND INSTAL THE
--- CHONGPYONG PUMP/TURBINES TO THE COMPLETE SATISFACTION
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--- OF KECO. ALLIS-CHALMERS HAS COMMITTED ITSELF TO FULL
--- SUPPORT OF FUJI IN THE EXECUTION OF THE CHONGPYONG
--- PUMP/TURBINE CONTRACT IN VERY SPECIFIC TERMS FN THE
--- DEVELOPMENT OF THE FINAL DESIGNS, IN REVIEW OF THE
--- FINAL DESIGN, IN REVIEW OF PUMP/TURBINE MODEL TEST

--- DATA DEVELOPED BY FUJI, IN VISITS BY A-C PERSONNEL
--- TO FUJI PLANT DURING IMPORTANT STAGES OF MANUFACTURE,

--- IN TRAINING OF FUJI COMMISSIONING ENGINEERS AT
--- APPROPRIATE PUMP/TURBINE INSTALLATION IN USA. ALSO

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--- A-C WILL PROVIDE COMMISSIONING ENGINEERS TO ASSIST
--- FUJI PERSONNEL AT CHONGPYONG SITE. ALL THESE
--- COMMITMENTS ARE FULLY DOCUMENTED IN A LETTER TO
--- DR NAM DATED FEBRUARY 20, HANDED TO HIM THAT DAY,

--- WHICH CONSTITUTES A COMMITMENT OF A-C AND FUJI TO
--- ENTER INTO A SPECIAL AGREEMENT RELATED TO EXECUTION
--- OF THE CHONGPYONG CONTRACT DULY ATTESTED TO BY
--- MYSELF AND MR H MURATE, OF FUJI ELECTRIC.

--- 4. WE WISH TO REITERATE OUR FULL SUPPORT OF FUJI
--- THROUGHOUT ALL STAGES OF EXECUTION OF CHONGPYONG
--- CONTRACT. FURTHER WE EMPHASISE THAT WE STAND READY
--- TO BE INVOLVED IN DIRECT CONSULTATIONS WITH KECO TO
--- PROVIDE ANY FURTHER NECESSARY REASSURANCE OF OUR
--- COMPLETE COMMITMENT TO SUPPORT OF FUJI IN CARRYING
--- OUR THIS IMPORTANT CONTRACT AND OF OUR CONFIDENCE.
--- THAT, BY ENDORSEMENT OF CHONGPYONG ORDER TO FUJI,

--- KECO WILL OBTAIN MACHINERY FOR THAT PROJECT WHICH
--- WILL INCORPORATE FINEST THCHNOLOGY OBTAINABLE
--- WORLD-WIDE. I WOULD APPRECIATE RECEIVING
--- CONFIRMATION FROM YOU THAT ALL OF THE ABOVE STATED
--- POINTS HAVE BEEN BROUGHT TO YOUR ATTENTION AND WILL
--- BE FULLY CONSIDERED IN CONFIRMING AWARD OF
--- CHONGPYONG CONTRACT FOR PUMP/TURBINES TO FUJI.

--- UNQUOTE

--- YOURS SINCERELY

--- G E PFAFFLIN 290 - ALLIS-CHALMERS YORK PA

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--- GENERAL MANAGER
--- HYDRO-TURBINE DIVISION
--- ALLIS-CHALMERS CORPORATION
--- 6.30
--- TLX 840435
--- NNNN
--- 1919 EST
--- USDOC WSH
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